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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 23, 2012

Wayne McCandless
Nielson Construction
P.O. Box 620
Huntington, Utah 84528

Subject: Reclamation Surety Required for Amended Notice of Intention to Commence Small Mining Operations, Nielson Construction Company, Nielson Construction Limestone Mine, S/049/0052, Utah County, Utah

Dear Mr. McCandless:

The referenced amended Notice of Intention to Commence Small Mining Operations (NOI), received by the Division of Oil, Gas and Mining on March 13, 2012, is complete **with the exception of the reclamation bonding requirement.** The Division holds \$37,500 surety for this project, but additional surety is needed because the disturbed area is being expanded. The total amount needed is \$55,100.00 (increase of \$17,600.00) for a three-year escalation, or \$56,200.00 (increase of \$18,700.00) for a five-year escalation (see table below).

3-year escalation (2015)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$7,900.00	\$7,900.00
Add'l Acres Disturbance	9	\$4,800.00	\$43,200.00
reseeding only	4	\$1,000.00	\$4,000.00
TOTAL			\$55,100.00
Current surety held by DOGM			\$37,500.00
Additional amount needed			\$17,600.00
5-year escalation (2017)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$8,100.00	\$8,100.00
Add'l Acres Disturbance	9	\$4,900.00	\$44,100.00
reseeding only	4	\$1,000.00	\$4,000.00
TOTAL			\$56,200.00
Current surety held by DOGM			\$37,500.00
Additional amount needed			\$18,700.00

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Please submit the reclamation surety and reclamation contract within the next 30 days. Please contact Penny Berry at 801-538-5291 or by e mail at bondcoordinator@utah.gov for assistance in completing this requirement.

Your amended NOI requested a variance to Rule R647-3-110, to allow waiting until fall to seed areas no longer needed for operations, and not having the acreage apply to the SMO acreage limit so long as the area was regraded and seeding was all that was necessary to finish reclamation. The Division evaluated your requested variance and hereby **approves** this variance.

Please contact me at 801-538-5261 or Lynn Kunzler at 801-538-5310 if you have any questions regarding this letter. In reply please refer to file number S/049/0052.

Sincerely,

A handwritten signature in black ink, appearing to read 'PB Baker', written over a horizontal line.

Paul B. Baker
Minerals Program Manager

PBB:lk:pb

cc: Peggy Kelsey, Utah County (peggyk@utah.gov)

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